

Message Text

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CIAE-00 COME-00 EA-09 FRB-01 INR-07 IO-13 NEA-10
NSAE-00 USIA-15 OPIC-06 SP-02 TRSE-00 LAB-04
SIL-01 AGRE-00 OMB-01 L-03 DODE-00 PM-04 FAA-00
DOTE-00 SEC-01 ITC-01 SS-15 NSC-05 /126 R

DRAFTED BY EB/IFD/BP:T A SCHLENKER:BT
APPROVED BY EB/IFD/BP:WALTER B. LOCKWOOD, JR.
JUSTICE:JDAVIDOW
FTC:JFISCHBACH
L/EB:SBENSON (INFORMED)

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TO USMISSION OECD PARIS

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E.O. 11652:N/A

TAGS: ETRD, OECD

SUBJECT: OECD NOTIFICATIONS OF U.S. ANTITRUST ACTIONS
FROM NOVEMBER 16, 1976 TO APRIL 15, 1977

REFS: A) 76 STATE 284249; B) STATE 22310; C) 76 STATE
128209; D) STATE 2434; E) STATE 14163; F) 76 STATE 304424;
G) 76 STATE 306156; H) STATE 37549; I) STATE 57757;
J) STATE 35000; K) STATE 30311; L) STATE 39175;
M) STATE 55285; N) STATE 27416; O) STATE 27417;
P) STATE 27418; Q) STATE 71789

1. MISSION IS REQUESTED TO PASS ON TO ANDRE DENUIT OF THE
OECD SECRETARIAT FOR THE GROUP OF EXPERTS ON RESTRICTIVE
BUSINESS PRACTICES THE FOLLOWING INFORMATION CONCERNING
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NOTIFICATIONS MADE BY THE USG FOR THE PERIOD FROM NOVEMBER
16, 1976 TO APRIL 15, 1977 UNDER THE 1967 NOTIFICATION
PROCEDURE.

2. THE U.S. DEPARTMENT OF JUSTICE CONDUCTED A BUSINESS
REVIEW OF THE PROPOSED SALE BY ALLIED CHEMICAL CORPORATION
OF ITS ORGANIC PIGMENT OPERATION, HARMON COLORS CORPORATION

TO RHINECHEM CORPORATION, A WHOLLY OWNED SUBSIDIARY OF BAYER A.G. OF WEST GERMANY. AS A RESULT OF THIS REVIEW THE DEPARTMENT OF JUSTICE ANNOUNCED JANUARY 21, 1977 THAT IT

DID NOT INTEND TO OPPOSE THE PROPOSED ACQUISITION AND HAD SO INFORMED THE AFFECTED COMPANIES IN LETTERS ADDRESSED TO THEIR RESPECTIVE LEGAL COUNSELS ON DECEMBER 22, 1976 (REFTELS A AND B).

3. DEPARTMENT OF JUSTICE ALSO ANNOUNCED DECEMBER 17, 1976 THAT IT WOULD NOT OPPOSE THE PURCHASE BY SANYO MANUFACTURING CO., INC. OF 57 PERCENT OF WARWICK ELECTRONICS, INC. FROM THE WHIRLPOOL CORPORATION. THE INVESTIGATION OF THE SANYO ACQUISITION WAS INITIATED IN MID-1976 (REFTELS C AND D).

4. A FEDERAL GRAND JURY RETURNED A CRIMINAL INDICTMENT AGAINST LUFTHANSA GERMAN AIRLINES, PAN AMERICAN WORLD AIRWAYS AND TRANS WORLD AIRLINES ON FEBRUARY 3, 1977. THE CORPORATIONS WERE CHARGED WITH CONSPIRING TO RAISE, FIX, MAINTAIN AND STABILIZE THE PRICE OF A NON-IATA MILITARY EXCURSION FARE APPLICABLE TO TRAVEL BETWEEN THE UNITED STATES AND GERMANY BY U. S. MILITARY PERSONNEL ON LEAVE AND THEIR DEPENDENTS FROM 1972 THROUGH MOST OF 1974 (REFTEL E).

5. IN ADDITION TO THE ABOVE CASES, THE U. S. DEPARTMENT OF JUSTICE HAS MADE NOTIFICATION TO OTHER OECD MEMBER COUNTRIES IN RESPECT TO FOUR INVESTIGATIONS DEEMED TO CON-

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CERN THEIR INTERESTS (REFTELS F, G, H, I).

6. THE U. S. FEDERAL TRADE COMMISSION (FTC) ISSUED A COMPLAINT AGAINST B. H. MAYER'S KUNSTPRAGEANSTALT AND BERNHARD H. MAYER, OF THE FRG, IN JANUARY 1977. THE COMPLAINT CHARGES ALL PARTIES WITH VIOLATIONS OF THE FTC ACT AND THE HOBBY PROTECTION ACT BY REASON OF THEIR IMPORT INTO AND SALE IN THE U. S. OF IMITATION GOLD COINS WHICH ARE NOT PROPERLY MARKED AS REQUIRED BY LAW. FTC HAS BEEN INVESTIGATING B. H. MAYER SINCE LATE 1975. THE MATTER IS NOW PENDING BEFORE AN ADMINISTRATIVE LAW JUDGE (REFTEL J).

7. THE FEDERAL TRADE COMMISSION ALSO FILED AN ADMINISTRATIVE COMPLAINT AGAINST THE BIC PEN CORPORATION, A 57 PERCENT SUBSIDIARY OF SOCIETE BIC S.A. OF FRANCE, AND PHILLIP MORRIS ON FEBRUARY 9, 1977 TO DETERMINE WHETHER THE ACQUISITION OF AMERICAN SAFETY RAZOR DIVISION OF PHILLIP MORRIS COMPANY BY BIC WOULD VIOLATE THE ANTITRUST LAWS. ON FEBRUARY 10 A COMPANION PRELIMINARY INJUNCTION SUIT WAS

FILED. EFFORTS TO NEGOTIATE A CONSENT AGREEMENT FAILED AND AND PHILLIP MORRIS AND BIC TERMINATED THEIR ACQUISITION AGREEMENT. FEDERAL DISTRICT COURT PROCEEDINGS WERE SUBSEQUENTLY DISMISSED AS MOOT (REFTELS K, L, M).

8. IN ADDITION TO THE ABOVE CASES, THE U.S. FEDERAL TRADE COMMISSION HAS MADE NOTIFICATION TO OTHER OECD MEMBER COUNTRIES WITH RESPECT TO FOUR NON-PUBLIC INVESTIGATIONS DEEMED TO CONCERN THEIR INTERESTS. THE SUBJECT MATTER OF THESE NOTIFICATIONS HAS NOT BEEN PUBLICALLY DISCLOSED BY THE COMMISSION (REFTELS N, O, P, Q).

9. THE UNITED STATES HAS RECEIVED SIX NOTIFICATIONS DURING THE REPORTING PERIOD, TWO EACH FROM CANADA, THE UNITED KINGDOM AND THE FEDERAL REPUBLIC OF GERMANY. THE TWO NOTIFICATIONS FROM CANADA CONCERNED AN INVESTIGATION OF LESSENING OF COMPETITION IN THE FELT INDUSTRY AND UNCLASSIFIED

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RETAIL PRICE MAINTENANCE VIOLATIONS BY TWO AMERICAN SUBSIDIARY MOTION PICTURE THEATERS. THE BRITISH NOTIFICATIONS INVOLVED AN INVESTIGATION OF A TAKE-OVER BID BY FRUEHAUF (US) OF CRANE FRUEHAUF LTD. (UK) AND AN INVESTIGATION OF SUPPLIERS OF ELECTRICITY SUPPLY METERS. THE FRG NOTIFIED THE USG OF ITS INVESTIGATION AND SUBSEQUENT DECISION NOT TO PROHIBIT THE ACQUISITION OF BONAVAL-WERKE GMBH BY INMONT CORPORATION OF NEW YORK, AS WELL AS AN INVESTIGATION OF THE ACQUISITION OF JURID WERKE BY BENDIX CORPORATION.
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